

APPROVED FOR RELEASE
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TAB II

Finalized 6/7/10
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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

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26 January 1968

MEMORANDUM FOR THE DIRECTOR*

SUBJECT: Possible Developments in the Korean Situation

1. The US is confronted by two separate but directly related problems in Korea. Of immediate importance is the release of the Pueblo and its crew. Beyond this, however, the US faces the question of how to cope with North Korea's generally aggressive line. This policy, now more than a year in development, is designed to shake popular confidence in the Seoul government, strain US/ROK relations and undermine South Korean support for the US in Vietnam. Thus, any course of action by the US needs to be measured in terms of its impact on these two problems.

* This memorandum is offered by a working group in the Office of National Estimates as a contribution to discussions; it has not been approved by the Board of National Estimates nor coordinated with other Offices of the Central Intelligence Agency.

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3. Before considering reactions to these options, it should be emphasized that the situation in North Korea is not at all clear. While the broad outlines and motives of Kim Il Sung's policy have been apparent for well over a year, some recent developments are worth noting. Last December, a major address by Kim Il Sung seemed to be moving toward an even harder line; in any event he forcefully reiterated North Korea's support for revolutionary action in the South. This has been followed by even greater emphasis on US aggressiveness, including warnings over "spy ships," and more exhortation to the populace to be vigilant, etc.

4. This line has been accompanied by further changes within the North Korean leadership. It appears that the removal of top level figures beginning in 1966 was related to policy — toward South Korea, indicating that this policy may have been

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opposed. Thus, the recent incidents, particularly the guerrilla raid in Seoul, seems to reflect a further development of this aggressive line, and may be related to the internal problems of Kim Il Sung.

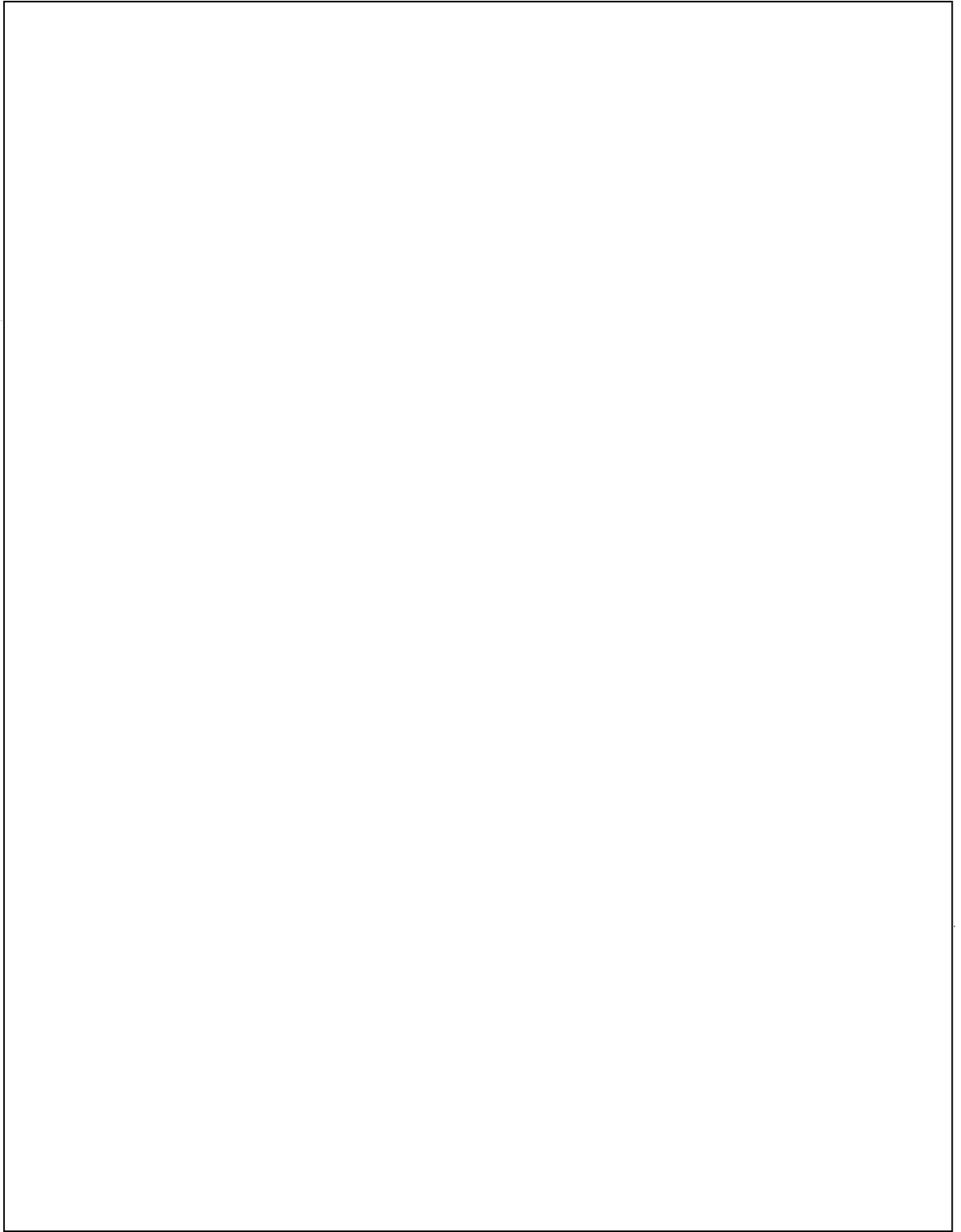
5. This could be significant in that North Korean reactions might not necessarily follow the course which would seem dictated by prudence and by what we believe to be their basic policy of stopping short of a resumption of the Korean War.

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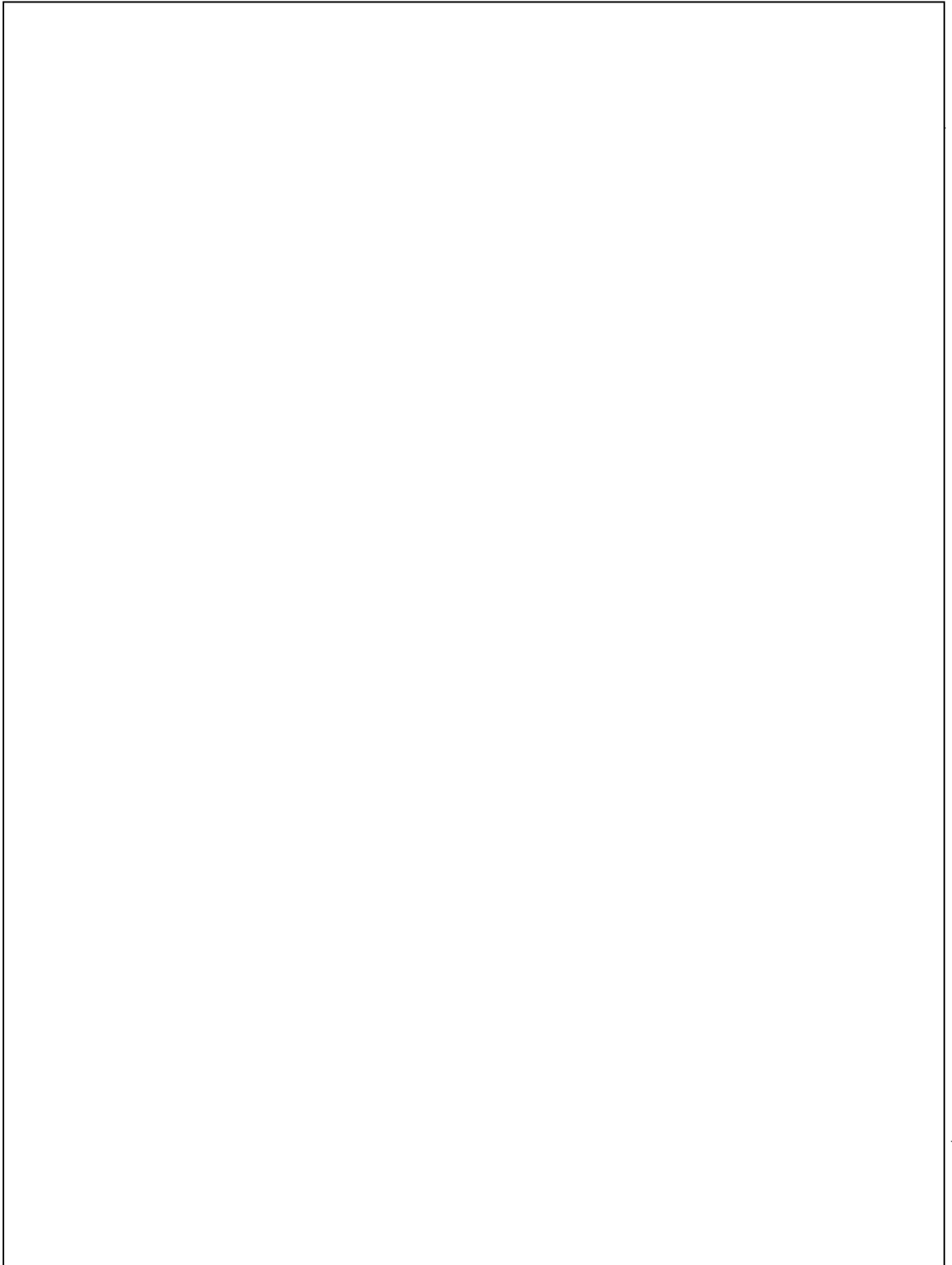
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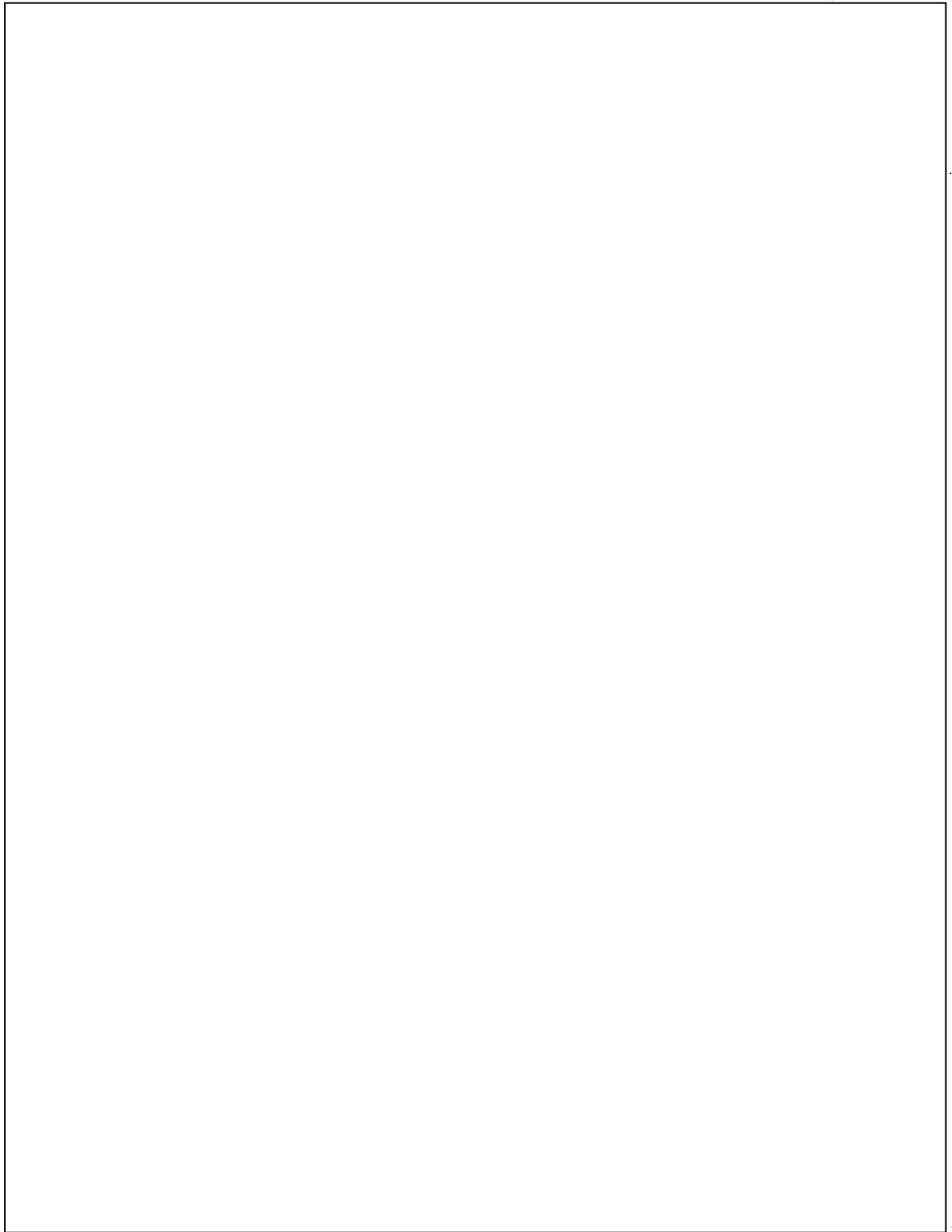
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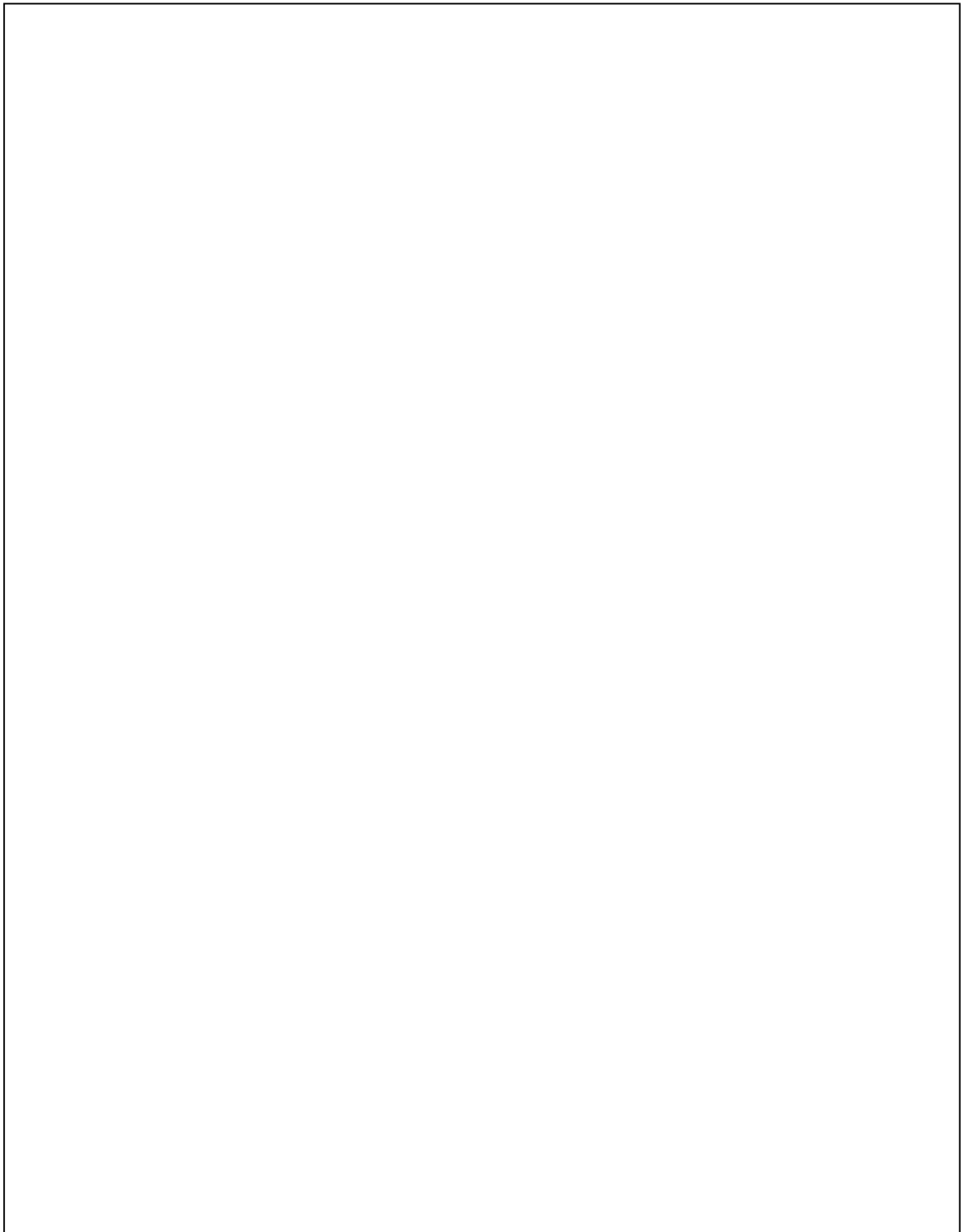
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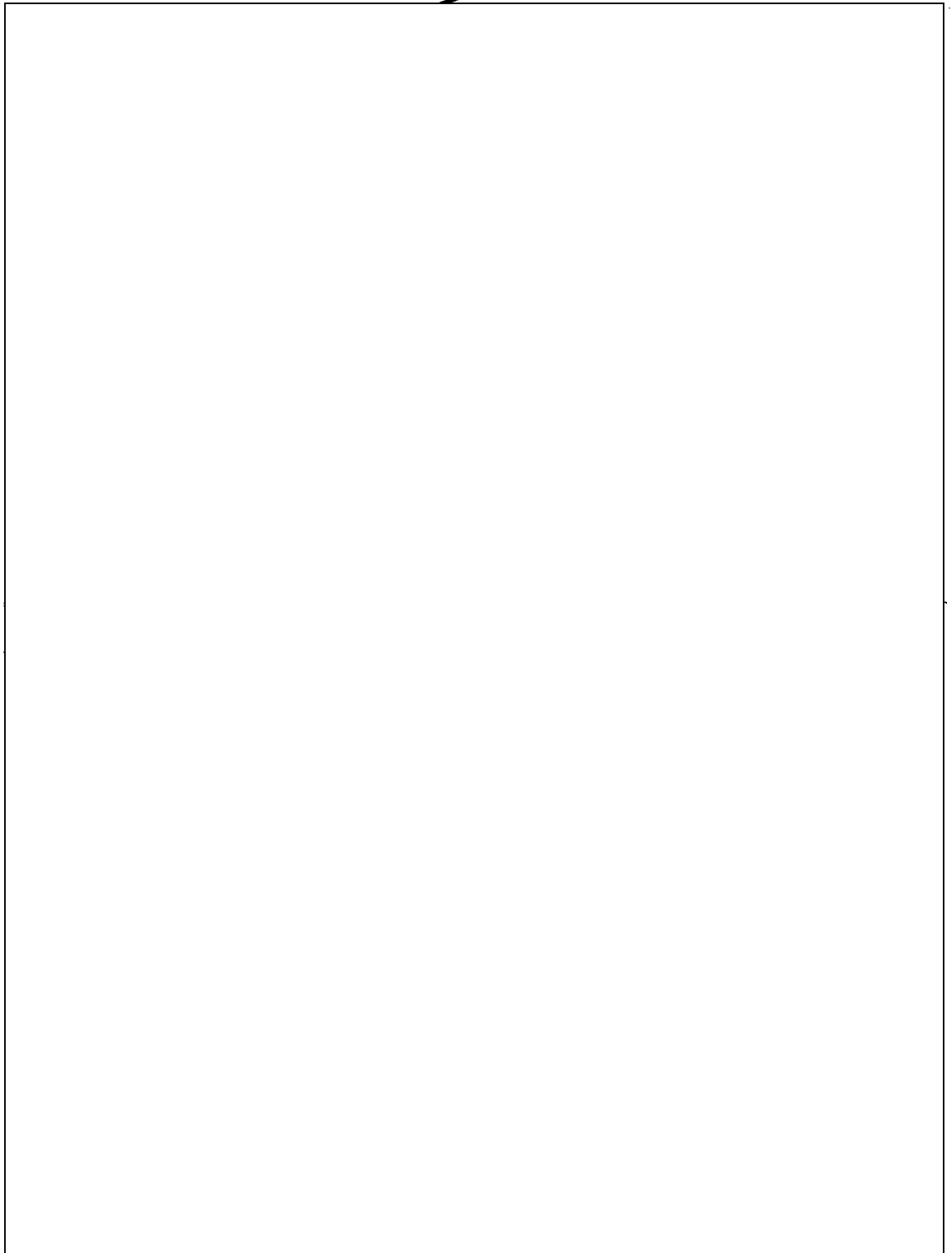
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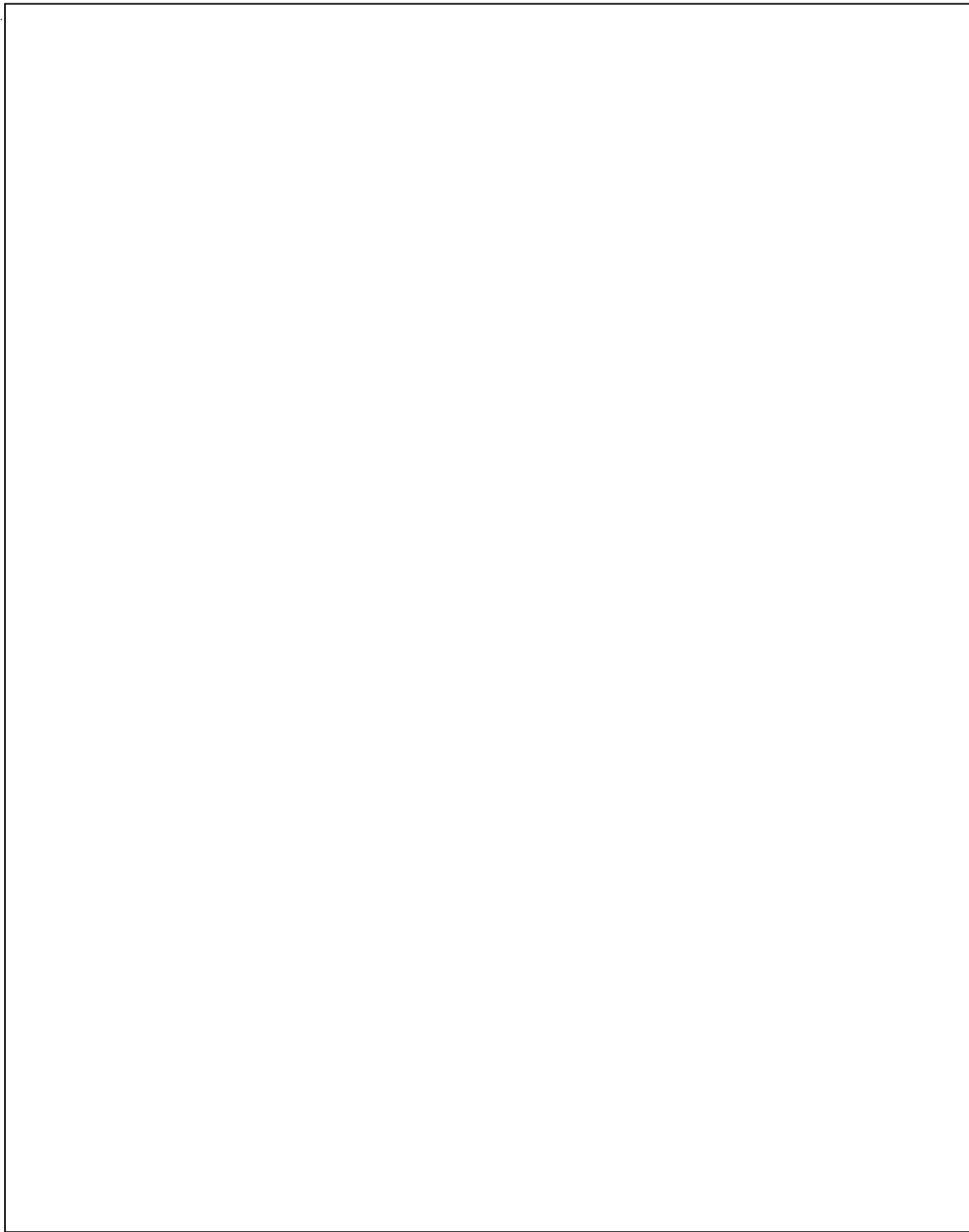
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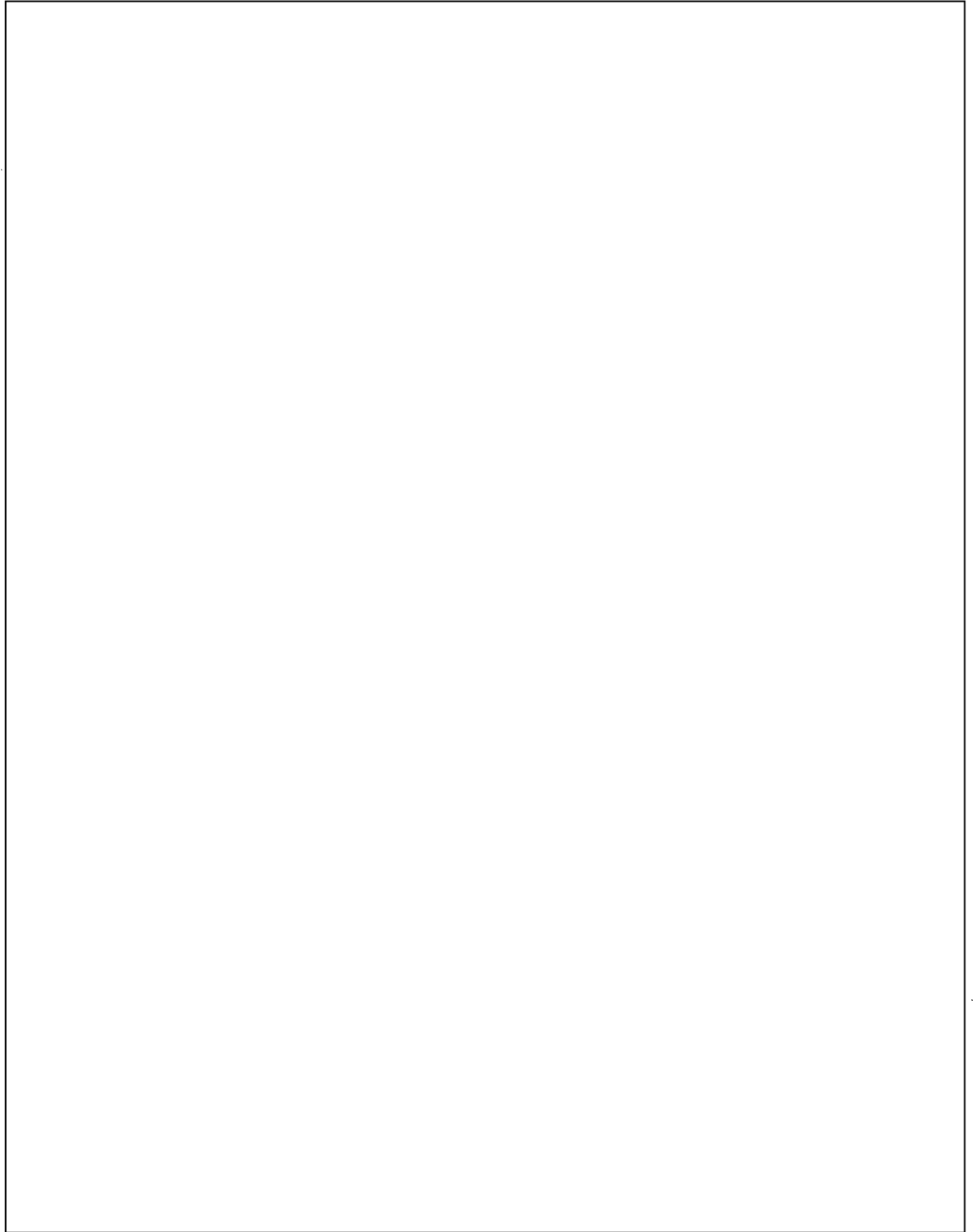
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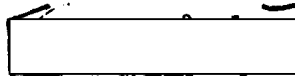
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ABBOT SMITH
Director
National Estimates

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